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SUBJECT: NIGERIA: BI-WEEKLY POL/ECON UPDATES FOR APR 16-30

REF: A. A: LAGOS 152
[1](#)B. B: ABUJA 780

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[1](#)1. (U) Following is a joint Embassy Abuja-ConGen Lagos
compilation of April 16-30, 2008 political/economic
highlights, which did not feature in our other reporting,
covering:

- Elections: Tribunals, Reforms, Re-Runs
- PDP Politics
- Corruption
- Niger Delta
- National Assembly
- Economic News
- Oil and Gas
- Security
- Other Noteworthy News

ELECTIONS: TRIBUNALS, REFORMS, RE-RUNS

[1](#)2. (SBU) SOKOTO AND BAYELSA RE-RUNS: INEC announced the
re-run gubernatorial elections in Sokoto and Bayelsa states
will take place May 24. While INEC cleared Aliyu Wamakko to
re-contest the Sokoto election on the platform of the PDP,
some observers complain that this is contrary to the Kaduna
Court of Appeals April 11 decision which overturned Wamakko's
election on the basis of Wamakko's ineligibility to stand as
a PDP candidate. (Reftel A and B)

[1](#)3. (U) SOUTHWEST ELECTION TRIBUNAL UPDATE: The Ekiti, Ondo
and Osun election tribunals continue to receive evidence and
hear witness testimony. In Oyo, Biola Ajimoby (ANPP) filed
an appeal to overturn an election tribunal ruling that upheld
the gubernatorial election for Alao Akala (PDP). Akala's
lawyers have also submitted an appeal, requesting the
tribunal to reinstate some of the votes he considers were
unjustly nullified in the tribunal's ruling. (Note: Governor
Akala claims the tribunal shortchanged him in determining the
number of votes he received. End Note.) In Ogun, the State
Election Tribunal ruled that ANPP gubernatorial candidate
Senator Ibikunle Amosu failed to identify his party
affiliation during the election. The court has ordered a new
tribunal to examine the issue. No date has been set for a
new trial.

14. (SBU) SOUTHEAST ELECTION TRIBUNAL UPDATE: The Court of Appeal in Enugu on April 28 began hearing the appeals filed by Enugu Governor Sullivan Chime against the January 18 election tribunal verdict nullifying his election. In Abia State, Governor Theodore Orji has filed an appeal of the tribunal decision invalidating his election, claiming the tribunal erred by not recognizing his claim that he had resigned as Chief of Staff to the former governor before running. (Note: As Chief of Staff to the former governor, he would have been ineligible to run for the governorship had he not resigned. End Note.) Orji has also appealed a ruling that declared him a member of a secret cult, illegal for government employees under Nigerian law.

PDP POLITICS

15. (U) On April 24, the INEC Commissioner for Party Monitoring criticized the PDP for the handling of its March 8 national convention. The Commissioner said the party's chairmanship aspirants should have withdrawn their candidacy 48 hours before the election, rather than less than 24 hours before the vote. Nigerian press reported that the PDP had reached a consensus on its choice for national chairman and deputy chairman on March 7.

CORRUPTION

16. (U) Nigerian press reported that labor unions and workers

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staged a rally protesting President Yar'Adua's "inability to investigate cases of corruption" against former President Obasanjo, and calling for Obasanjo to be brought to trial over his mishandling of the power sector during his eight-year tenure in office. Nigerian Labor Congress (NLC) president Abdulwahed Omar said the protest is organized to "ensure that all those who looted the country's funds, whether in the power sector, oil sector, or any sector of the economy are prosecuted." Omar added that former minister of the Federal Capital Territory Nasir el-Rufai should be reprimanded for his "criminal grabbing of government land and government houses." The NLC is reportedly angered over the privatization of strategic infrastructures, social services, and cultural facilities.

NIGER DELTA

17. (U) SUIT ASKS OBASANJO TO ANSWER ALLEGATIONS OF MURDER: Nigerian press reported April 30 that an Abuja Magistrate Court has summoned former President Obasanjo to appear before it next month to answer allegations of murder perpetrated in Benue and Bayelsa states. The leader of the Niger Delta Volunteer Forces, Dokubo Asari (who had been released June 2007 following two years in prison for treason charges), filed the suit alleging that Obasanjo had ordered the Nigerian military into two communities where several civilians had consequently been murdered. (While the Magistrate Court has no jurisdiction to hear criminal cases involving murder, it is the court of first instance. If this court rules the case has merit, it can then be moved to the Abuja Federal High Court.)

18. (U) MEND'S "OPERATION CYCLONE": In a statement published on its website, The Movement for the Emancipation of the Niger Delta (MEND) claimed responsibility for blowing up a major Shell Petroleum Development Company pipeline on April 24. The statement claims that this is one of many pipeline attacks under MEND's so-called "Operation Cyclone" meant to cripple the oil industry. The MEND statement said the attack was in response to a statement issued by Rivers Governor Amaechi that MEND's activities would be "checked through the deployment of naval gunboats in the creeks." The statement

also reiterated the Movement's support for the detained criminal/militant leader Henry Okah. Subsequent public statements by MEND welcomed former President Jimmy Carter to "mediate" a peace process in the Niger Delta.

NATIONAL ASSEMBLY

¶9. (SBU) PolOff spoke with the attorney for senatorial aspirant Usman Abubakar (ANPP), who is contesting the election of Senate President David Mark (PDP). The Benue State Election Tribunal had earlier ruled to re-run the election in two of nine local government areas in Benue. Abubakar and Mark both filed appeals to the ruling. Abubakar's attorney confirmed he was still in the process of drafting briefs for the appeal, and he does not expect a decision by the appeals court before June.

ECONOMIC NEWS

¶10. (SBU) POSSIBLE PFIZER SETTLEMENT: Pfizer representatives met with the Deputy Chief of Mission on April 22 to provide an update on ongoing legal cases and settlement negotiations.

Pfizer reported a meeting with the Kano State Governor, cryptically suggesting the possibility of a settlement soon if Pfizer increased its offer. For now, two sides are far apart on the amount. Pfizer is also planning to pursue international arbitration with the GON. Pfizer representatives thanked the Embassy for its support of the company.

¶11. (U) POWER POTENTIAL: A U.S. Trade Development Agency (USTDA) sponsored team visited Nigeria to meet with officials to discuss independent power producers and review two

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potential hydro plants in the northern states of Adamawa and Kaduna. The USTDA consultants told us that the report recommends that USTDA move forward with a feasibility study for an Adamawa hydro plant at Kiri Dam, which is located on the Gongola River, a tributary of the Benue River. This plant would produce about 35-50 megawatts at a construction cost of about \$44 million. There are no flow records for the Kaduna waterfalls site, but the project appears to have 5-15 megawatt potential. A feasibility study for the Kaduna site is not recommended at this time.

¶12. (U) NATIONAL COUNCIL ON VISION 2020: The media reported the creation of the National Council on Vision 2020. The National Council is expected to propose an economic strategy that will "catapult Nigeria into the top 20 economies of the world by 2020." President Yar'Adua serves as the chairman of the Council, and Vice President Goodluck Jonathan is the deputy. Other government members include the Senate President, Speaker of the House of Representatives, Governors of Lagos, Imo, Delta, Kware, Bauchi and Kaduna states, as well as representatives from federal ministries and the private sector. The main goals of the Council are to approve national priorities; develop a comprehensive plan, and framework to mobilize resources from the private sector; propose appropriate goals, targets and strategies; and recommend a monitoring and evaluation mechanism.

¶13. (SBU) "DESERT TO FOOD" PROJECT: On April 28, the Managing Director of FramanAgridev, an agricultural development company, told PolOff that the GON signed a 28-year memorandum of understanding with the company to support a "Desert to Food" project in Nigeria. The project is intended to boost employment and development in the agricultural sector. FramanAgridev's Desert to Food project would transfer Israeli and U.S. technologies and equipment to northern Nigeria and reclaim desert lands through massive irrigation and a tree and crop planting scheme. Fifty percent of the funding will come from the Federal government, 20% will come from state governments, local governments will contribute 10% (and

land), with the remaining 20% coming from private investors. The company estimates that 250,000 workers will be employed to complete this project in 19 northern states. The MD said President Yar'Adua supports the Desert to Food project because he was involved in the project planning as Governor of Katsina.

¶14. (SBU) "SWAMPS TO FOOD" PROJECT: Governor Akpabio of Akwa Ibom will sign a Swamps to Food MOU in late May that will bring aquaculture, an aquaculture feed mill, and livestock farming to the riverine area of this Niger Delta state, according to the FramanAgridev MD. The Akwa Ibom State Assembly has already approved 300 million naira for the project.

¶15. (U) RICE IMPORTATION: The Government of Nigeria (GON) agreed to import 500,000 metric tons (mt) of rice. N80 billion (\$678 million) will be released immediately from the Natural Resources Fund. A bag of rice costs between N10,000 (\$84) and N12,000 (\$101) from about N5,500 (\$46) four months ago. The GON expects the importation plan to bring the price down by half to N6,000 (\$50).

¶16. (U) EMBASSY SCIENCE FELLOW: Edward Campbell from the U.S. Department of Agriculture arrived in Abuja on April 27 and will spend seven weeks working with the Geological Survey of Nigeria Agency (GSNA). Campbell will be augmenting work done last year by another Science Fellow that assisted the GSNA in creating remote sensing and digitizing programs for developing mining concessions. He will travel to Kaduna, Jos and Ile Ife to view GSNA operations, conduct workshops and staff training. Campbell previously worked in Nigeria from 1982-84 on the Soil Map of Nigeria Project, and again in 2001 as part of a technical assistance project to Nigeria.

¶17. (U) NUCLEAR SAFETY VISIT: A team from the Office of Global Threat Reduction, National Nuclear Security Administration (NNSA) of the U.S Department of Energy,s Nuclear Security Administration visited Nigeria from April

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19-25. The team conducted coordination meetings with representatives of the Nigerian Nuclear Regulatory Agency (NNRA) and discussions on upgrades to protect radioactive sources at Nigerian facilities. The initial meetings were held at the NNRA in Abuja, and the team traveled to Zaria, Ajaokuta, Ibadan, and Lagos to conduct initial assessments of the facilities for security upgrades. NNSA is planning to work with NNRA on potential technical assistance to upgrade security.

¶18. (U) MINERALS AND METALS POLICY: To complement the Nigerian Minerals and Mining Act of 2007, a new policy was approved by the GON on April 29, 2008. The Minister of Mines and Steel, Sarafa Tunji Isola, said the mining policy would provide a road map for the country,s mining sector. The Minister reported that the mining sector contribution to Nigeria,s GDP stands at 0.05%, and the goal of the Ministry is to increase it to 5% within ten years. The Policy,s objectives are to produce coal for power generation, and stimulate agricultural and fertilizer production. As a next step, the GON will soon set up state mineral management committees.

¶19. (SBU) NIGERIAN OPTICAL-DISK (OD) PLANTS HURTING: On May 5, 2008 EconOff met with Toju Ejueyitchie, Chairman of the Nigerian Association of the Recording Industry (NARI), to hear industry comments on OD production. Ejueyitchie said that the Nigerian Copyright Commission has not stopped the illegal replication of optical disks in Nigeria and that the unlimited and unregulated flow of imported pirated ODs into Nigeria will likely lead to the collapse of the domestic production industry.

OIL AND GAS

¶20. (SBU) EXXON MOBIL STRIKE: The strike that paralyzed Exxon Mobil's production in Nigeria officially ended on April 30. An official with PENGASSAN, the union representing striking workers, told Poloff that the two sides reached an agreement that included a twenty percent pay hike and promises to review expatriate hiring levels. While peaceful, the strike was one of the most serious in recent years, shutting-in an estimated 750,000 barrels of oil for almost a week.

¶21. (SBU) STATE OWNED OIL COMPANY REFORM: At a sidebar during a recent conference on energy economics, a top official of a major Nigerian National Petroleum Corporation (NNPC) operating unit told EconOff that he believed the Yar'Adua administration has lost its appetite for reform of the state owned oil company. The official thought that the administration had, like its predecessors, grown comfortable with the ability to exert influence over the company. Those second thoughts may be evidenced by delays in introducing reform legislation.

¶22. (U) OIL AND GAS SECTOR REFORM: At the same conference, a member of the National Energy Council sub-committee on NNPC reform told the assembled group that a comprehensive oil and gas sector reform bill would be introduced to the National Assembly before the end of May.

¶23. (SBU) OILFIELD SERVICE INDUSTRY: An official with a local oilfield service industry trade group told Econoff that local content legislation has passed the Senate and is making its way through the House of Representatives. When asked about the capabilities of indigenous oilfield service companies, he admitted local firms are not yet able to supply all the goods and services at the levels required by the bill, but he thought local companies would be able to "partner" with foreign firms to find a work around solution. In a front page article in a local daily, House members accused NNPC and major oil companies of attempting to delay passage of the legislation.

SECURITY

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¶24. (SBU) TRAFFICKING IN PERSONS: Jennifer Ero, an anti-human trafficking activist and founder of the Society for the Empowerment of Young People, told PolOff on April 30 that similarities in the victims' stories about their experiences underscores the highly organized nature of human trafficking in Nigeria. Ero described how victims are moved across countries by trafficking syndicates, often through areas with little or no infrastructure. Traffickers meet individual victims moved along diverse travel routes, providing the documents and logistics required to send them on the next leg of their complicated journeys. Ero opined that the response to such a highly organized crime must be just as highly organized and cohesive. Currently, she sees a dysfunctional response with little information flow among stakeholders, including government agencies, NGOs and victims. Ero hopes that educating young people to resist traffickers' attempts to lure them abroad, while supporting legitimate income-generating alternatives for potential and returning victims will reduce the influence of traffickers.

¶25. (U) WEST AFRICAN CISSA CONFERENCE IN ABUJA: Nigerian press reported that President Yar'Adua addressed the Committee of Intelligence and Services of West Africa (CISSA) conference in Abuja, urging attendees from West Africa to find solutions to problems of cross-border smuggling, drug and human trafficking, and terrorism. The President asked attendees to establish a mechanism to ensure that policymakers of West African countries are provided with intelligence and security information to enable them to respond to the threats in the region. Yar'Adua also stressed the need for "global networking by intelligence and security

services to tackle the rising wave of international terrorism and other asymmetric threats," and specifically, for regional cooperation between intelligence and security services in West Africa. Yar'Adua also praised Liberia, Sierra Leone, and Cote d'Ivoire for their democratization efforts, which Yar'Adua said, have helped stabilize the region.

OTHER NOTEWORTHY NEWS

¶26. (SBU) NIGERIAN ALIEN REGISTRATION PROCEDURES: During an April 25 courtesy call on Consul General Blair, Assistant Comptroller for Zone D, Nigerian Immigration Service (NIS), General E.C. Nnamdi expressed his desire for personal and staff training similar to that he attended approximately twenty years ago in the United States. He said the NIS would appreciate more advance notification of deportees arriving at the Lagos airport from the United States. The Consul General assured him that the Consulate informs NIS of returning deportees as soon it receives notification from the Department of Homeland Security. She noted that that this is an issue worldwide and not unique to Nigeria, but she would ask the officer that normally liaisons with the U.S. Marshals and the Department of Homeland Security to contact him. When asked about Nigeria's Alien Registration card and the procedures required for alien movement within the country, Nnamdi explained that there are standard, federal procedures country-wide. Resident aliens require an exit obtained at the point of departure when leaving their state of residence. The stamp costs 200 naira. Registration with a new state in Nigeria is required only if the stay is longer than 21 days. (Note: The Consul General, Consulate officers, and private American citizens in Nigeria have been told various stories regarding these procedures. End Note.)

¶27. (U) STATE COURTS HAVE HEAVIEST WORKLOAD: At an April 30 meeting with the Assistant Director of the Federal Ministry of Justice, Lagos Liaison Office, C. Ibekwe told Legatt and PolOff that the court system in Nigeria, loosely based on the British and American models, sees most of its work at the state level. The hierarchy of courts begins at the local magistrate level, then the state level, then the federal level, with appeal courts at the state and federal levels. Family courts, mobile courts, and traditional courts also comprise part of the justice system in Nigeria, but address different issues. A person, she explained, may be charged under civil and criminal law, depending on the nature of the

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act committed. In general, federal level laws tend to have federal level enforcement agencies such as NAPTIP, NAFDAC, EFCC, and ICPC.
SANDERS